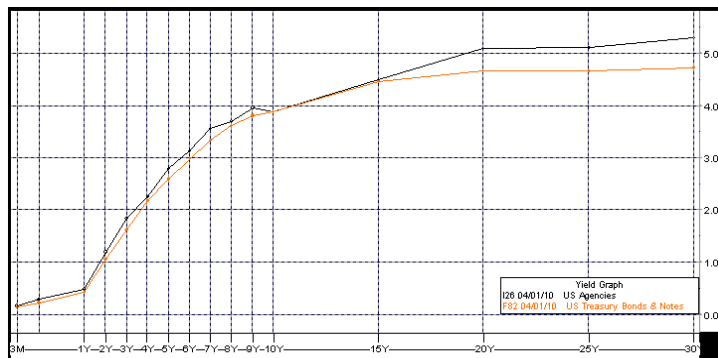


U.S. Payrolls Rose 162,000 in March

The U.S. economy created 162,000 jobs in March, the largest monthly gain in three years. This includes 48,000 temporary jobs added for the 2010 census and another 17,000 jobs created in the manufacturing industry that continues to lead the recovery. The latest job report showed an overall gain of 224,000 in March, which includes data revisions for both January and February. The labor market continues to improve and the unemployment rate remained at 9.7 percent for the third consecutive month. In March, U.S. Treasury yields moved higher with growing concerns of a ballooning deficit and increased odds of a rate hike by the FOMC before the end of 2010.

Yield Curves (Agency vs. Treasury)



Source: Bloomberg

Our Methodology

What is our investment strategy for your TrustIndiana portfolio? As mentioned, the Federal Reserve continues to maintain the fed funds target range between zero and 0.25 percent. The direction of monetary policy in 2010 is a hotly debated topic and non-traditional monetary policies are likely going to be part of the picture along with typical fed funds rate adjustments. It remains a uniquely challenging environment. Our strategy is to remain defensive (low risk) while selectively adding to our approved commercial paper list. Our primary emphasis is and will always remain the safety of the public's funds entrusted with us and the maintenance of sufficient liquidity. Lastly, we will strive to offer a competitive yield.

Selected Current Economic Data

DATA	PERIOD	
GDP QoQ	Q4 '09	5.6%
GDP YoY	Q4 '09	0.1%
PPI YoY	Feb '10	4.4%
CPI YoY	Feb '10	2.1%
Jobless Rate	Mar '10	9.7%
Fed Funds Target	Mar 16 '10	0 - 0.25%

Source: Bloomberg

Treasury Yields

TERM	04/08/10	04/01/10	CHANGE
3-Month	0.15%	0.14%	0.01%
6-Month	0.23%	0.23%	0.00%
1-Year	0.40%	0.39%	0.01%

Source: Bloomberg

Agency Yields

TERM	04/08/10	04/01/10	CHANGE
3-Month	0.23%	0.20%	0.03%
6-Month	0.32%	0.28%	0.04%
1-Year	0.59%	0.58%	0.01%

Source: Bloomberg

Commercial Paper Yields (A-1/P-1 Dealers)

TERM	04/08/10	04/01/10	CHANGE
1-Month	0.21%	0.22%	-0.01%
3-Month	0.28%	0.27%	0.01%
6-Month	0.40%	0.38%	0.02%
9-Month	0.59%	0.60%	-0.01%

Source: Bloomberg

The opinions expressed are those of TrustIndiana and are subject to change without notice.